

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOHN W. PARSONS, ESQ., *Executive Director*

Auditor SUZANNE M. BUMP | KATHLEEN M. FALLON | KATE FITZPATRICK | JAMES M. MACHADO | RICHARD MACKINNON, JR. | JENNIFER F. SULLIVAN

MEMORANDUM

TO: Quincy Retirement Board

FROM: John W. Parsons, Esq., Executive Director

RE: Approval of Funding Schedule

DATE: April 30, 2021

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 each fiscal year. The schedule is effective in FY21 (since the amount under the prior schedule was maintained in FY21).

The Board adopted a schedule that maintains 7.5% annual increases until FY24. The schedule then increases by 5.4% per year to FY35 with a final amortization payment in FY36. We continue to recommend funding schedules that amortize the unfunded actuarial liability (UAL) by FY35. The revised schedule reduces the amortization period by one year and moves close to that goal.

We note that the schedule reflects a decrease in the investment return assumption from 7.50% to 7.25% and a slight change in the generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, John Boorack, at (617) 666-4446, extension 935.

JWP/jfb

P:\actuarial\APPROP\Approp21\quincy approval.doc

Enc.



QUINCY RETIREMENT SYSTEM

FUNDING SCHEDULE with 3(8)(C) - 15 years: 7.50% increases for three years; 5.40% thereafter
7.25% Discount Rate; RP-2014 adjusted to 2006, projected generationally using MP-2019

Fiscal Year	Normal Cost	Unfunded Liability*	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution**	% Change
2022	6,795,419	445,459,183	30,813,047	706,921	38,315,387	7.50%
2023	7,067,236	444,707,981	33,414,884	706,921	41,189,041	7.50%
2024	7,349,925	436,348,437	36,221,373	706,921	44,278,219	7.50%
2025	7,643,922	429,136,277	38,318,399	706,921	46,669,243	5.40%
2026	7,949,679	412,243,104	40,532,782	706,921	49,189,382	5.40%
2027	8,267,666	398,659,320	42,871,021	706,921	51,845,608	5.40%
2028	8,598,373	381,582,951	45,339,977	706,921	54,645,271	5.40%
2029	8,942,308	360,620,590	47,946,887	706,921	57,596,116	5.40%
2030	9,300,000	335,342,546	50,699,385	706,921	60,706,306	5.40%
2031	9,672,000	305,279,791	53,605,525	706,921	63,984,446	5.40%
2032	10,058,880	269,920,650	56,673,805	706,921	67,439,607	5.40%
2033	10,461,235	228,707,240	59,913,189	706,921	71,081,345	5.40%
2034	10,879,685	181,031,620	63,333,132	706,921	74,919,738	5.40%
2035	11,314,872	126,231,628	66,943,611	706,921	78,965,404	5.40%
2036	11,767,467	63,586,399	63,586,399	706,921	76,060,787	-3.68%
2037	12,238,166	-	-	706,921	12,945,087	-82.98%

* Includes recognition of the following asset gains/(losses) in Fiscal 2024 and 2026:

2024	\$4,763,409
2026	\$6,909,070

** Contribution is set to be the amount resulting from a 7.5% increase on the prior year's contribution, followed by two years of 7.5% increases, and 5.4% increases thereafter. The contribution in FY2036 decreases by -3.68%.